(a) whether it is a fact that Government has made a proposal for increasing consumer sale price of natural gas by 16 per cent in the country;

(b) if so, the details in this regard and the criterion for this price hike; and

(c) the formula adopted at present to determine the consumer sale price of natural gas in the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) No, Sir.

(b) Does not arise.

(c) The consumer price of APM gas was fixed at Rs. 3200/MSCM with effect from 1.7.05 for power and fertilizers sector, Court mandated and small scale consumers, on an *adhoc* basis, till the receipt of Tariff Commissions report.

Subsequently, the price of natural gas for City Gas Distribution projects and small consumers was increased by 20% to Rs. 3840/MSCM with effect from 5th/6th June 2006, so as to slowly reflect the market price.

The price of consumers in the North-East is 60% of that for the remaining country. So the price for power and fertilizers sector in North-East is Rs. 1920/MSCM. and that for Court mandated and small consumers in the region is Rs. 2304/MSCM.

Capital expenditure budget of exploration companies

59. SHRI VIJAY J. DARDA:
SHRIMATI SYEDA ANWARA TAIMUR:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that inflated figures in the capital expenditure budgets of exploration companies are suspected for starting commercial production from acreages acquired through auctions since 2002 and where production has started or being started;

(b) if so, whether it relates to both the public sector and private sector exploration companies;

(c) how the capital expenditure budget is approved initially; and

(d) whether there is any co-relation determined between the funds approved and actually spent?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) No, Sir.

(b) Not applicable in view of (a) above.

(c) As per the provisions of Production Sharing Contract (PSC) of the exploration blocks, development costs submitted as part of Development Plan are approved by the Management Committee. In addition, annual work programme and budget for development operations is also approved by the Management Committee.

(d) Budget is a fair and reasonable forecast of expenditure to be incurred and actual expenditure is periodically monitored by the Management Committee.